

2003 ZIP Code SALES ALONG THE WASATCH FRONT (Salt Lake, Utah, Davis & Weber Counties)

Data Description

The Tax Commission has provided analysis of direct, taxable sales by ZIP Code and by industry since 1987. "Direct" sales are those sales that can be identified to an outlet in a specific municipality, as compared to out-of-state use tax, where there is no municipal identification.

This is the eleventh year that this report has listed ZIP Code sales data for Utah, Davis and Weber counties, in addition to the various retail areas in Salt Lake County. However, due to budget constraints the **three- and four-digit Standard Industrial Classification (SIC) codes (what we term "Detailed" industry codes) will not be printed here. They will be available on our website at:**

tax.utah.gov/esu/sales

The advantages of analyzing ZIP Code data are twofold:

- First, the direct sales data by ZIP Code is classified into nearly 200 industries using **three- and four-digit Standard Industrial Classification (SIC) codes. Thus, the data in this report are much more specific than our quarterly reports, which break down sales into only 29 "Major" industry categories.**
- **Second, in order for marketing analysts to establish a "benchmark," direct sales on a "Detailed" Industry basis for each county is available on our website. With the countywide sales as a denominator and this report's ZIP Code's sales on top as the numerator, one can calculate market shares, location quotients and county sales "gaps."**

There are some caveats about the information in this report. Since some taxpayers do not always provide accurate ZIP Code information, ZIP Code sales in Salt Lake County at \$14.8 billion were less than Salt Lake County total taxable sales (\$15.7 billion) by 5.7 percent in 2003. Prior to 1999, ZIP Code sales with '84' (Utah) prefixes amounted to almost 93 percent of all sales. ZIP Code sales appear to be less complete than they were in recent years.

2003 Retail Hot and Cold Spots

Salt Lake City area Zip Code direct sales rose 3.8 percent in 2003 (Table 1). This was on the heels of two declines – a 7 percent drop in 2002 and a 2 percent decline in 2001. The latter decline was commensurate with the U.S. recession that began in the spring and was exacerbated by the 9/11 attacks on America. For calendar year 2003, in *Salt Lake City* significant changes in sales occurred in the following ZIP Code areas:

- 1) Rose Park/Airport (84116), up \$117 million (25 percent) to \$585 million (but only 9 percent above 2001 levels) in 2003 (Table 1). Some telephone companies moved out of downtown to the west side.
- 2) East Downtown (84111), the largest trade area in the state, up \$250 million (13 percent) to \$2.1 billion. Tax Commission changes to utility company distributions probably sent some sales into 84111.
- 4) West Downtown (84101), down again, this year by \$113 million (-11.3 percent) to \$810 million, equal to 1994 levels. Some telephone companies moved out of downtown to the west side. Sales have declined here at a 2.9 percent compounded annual rate since 1998. This is surprising given the addition of the Gateway Mall.
- 5) Sales fell nearly 23 percent in the Foothill ZIP Code (84108) to \$180 million. Hotel and lodging sales dropped from \$7.5 million in 2002 (Winter Olympics) to \$1.7 million. The large grocery store sector was up 1 percent. Restaurant sales, included fast food, family and theme restaurants fell compared to 2002.

Central Valley sales (those south of Salt Lake City and north of Sandy) fell 2.5 percent in 2003, only slightly less than the near 4 percent consecutive declines in 2001 and 2002. In the *Central Valley*, significant changes occurred in the following areas:

- 1) West Valley (84120), up slightly by \$62 million (11 percent) to \$622 million. East West Valley (84119), a much larger trade area, saw its sales fall again, this time by 7 percent to \$969 million.
- 2) Murray (84107), the second largest trade area in the Central Valley, experienced a rebound of 4.7 percent sales drop to \$1.36 billion. A major discount department store moved from Midvale during the year, helping to push up Department store sales 48 percent to \$211 million in 2003. West Murray (84123) sales fell a significant 24 percent to \$434 million in 2003. Grocery store sales fell 10 percent and Cable TV company sales disappeared from view, possibly by losing one outlet than our necessary four, but also perhaps one company moved. Nondisclosable store sales fell about \$100 million.

3) In general sales were soft on the east side of the Central Valley too. Holladay sales fell 0.2 percent (84117). Northeast Holladay sales (\$62 million) fell back to 2001 levels. Millcreek sales dropped off 2.8 percent to \$189 million.

4) Sales in the largest Central Valley trade area, South Salt Lake, fell for the third year in row, this time by 1.2 percent in 2003 to \$1.44 billion. This was equal to the 5-year annual average decline since 1998.

South Valley generated the only positive gain for ZIP Code sales in Salt Lake County, but at 0.1 percent, it was nothing to sing about. The 15 percent drop in Midvale due to the loss of a major big box department store, the 16 percent drop in Central Sandy and the nearly 5 percent decline in Draper all offset positive gains in other areas. Sales in South Jordan jumped 57 percent in 2003 offsetting half of Midvale's decline. Respectable gains between 4 percent and 8 percent were reported in West Jordan (84084), South West Jordan (84088), Cottonwood (84121), North Sandy (84093) and East Sandy (84092). Significant changes occurred in the following areas:

1) South Jordan (84095) saw sales rise 57 percent to \$146 million. Sales in 84095 have risen nearly 36 percent per year since 1998. Sales in West Jordan rose 7 percent to \$377 million.

2) Sales in West Sandy (84070), by far the largest trade area in South Valley, were down \$57 million (5 percent) \$1.14 billion. ZIP Code 84070 is a major growth area surrounding the South Town Mall and is now the fourth largest ZIP Code trade area in Salt Lake County (following East Downtown (84111), South Salt Lake (84115). Murray (84107).

3) East Sandy (84093) sales were up 3.5 percent to \$245 million

4) Sales in Draper fell nearly 5 percent in 2003, down nearly to 2001 levels at \$309 million. This is nearly 10 times the \$32 million reported in 1990.

Utah County ZIP Code areas rose only 1 percent in 2003 to \$3.68 billion. Notwithstanding sluggish sales for the county as a whole, significant changes occurred in the following areas:

1) Lindon (84042), continued in its steep growth path, up \$17 million again (12 percent) to \$161 million. Its five-year annual growth rate was 33 percent.

2) Lehi (84023) and Springville (84663) also reported sales increases in the double digits. In Lehi, sales of \$172 million increased 13 percent from 2002.

3) Sales in Springville (84663) rose 10 percent, partially in response to the addition of a large, big-box store. Since 1999 direct sales have doubled in 84663 to \$231 million.

- 4) South Orem ZIP Code (84058), the largest trade area in Utah County, saw its sales drop for the third year in a row. In 2003, sales fell 1 percent to \$653 million. South Orem includes the University Mall.
- 5) The third largest trade area in Utah County, North Orem's 84057 reported sales of \$542 million, also falling 1 percent in 2003.
- 6) Sales fell 2.9 percent to \$555 in the second largest trade area in Utah County, Southwest Provo (84601) for the third year in a row. The addition of several large big-box discount department stores has spread out sales from its formerly key economic areas.
- 7) Sales dropped rather dramatically in North Provo (84604) at \$273 million. Sales peaked in 2001 at \$349 million.

Davis County direct sales were the second best among the four Wasatch Front counties with a 0.2 percent growth rate percent in 2003. Significant changes occurred in the following areas:

- 1) Centerville (84014) surpassed Layton as the growth leader in Davis County with an 11 percent gain in 2003 to \$219 million. Its five-year growth rate of 6.4 percent was also the best in the county.
- 2) In Kaysville (84037) sales rose 6.2 percent to \$133 million. Used auto sales and recreation trailer sales on the west side of I-15 supplement a growing strip of fast-food restaurants and small business east of the Kaysville exit.
- 3) Layton (84041), the largest trade area in Davis County, recorded sales of \$872 million, a drop of 1.8 percent. The drop hurt its 5-year growth rate, which fell from 6.3 percent per year to 4 percent between 1998 and 2003.
- 4) The second largest trade area in Davis County, Bountiful (84010), experienced virtually no growth in 2003 with sales remaining at \$354 million.
- 5) Sales fell in Farmington (84025) for the third year in a row, this time by 5.5 percent. Major construction at Highway 89 and I-15 intersection continued to hit the county seat hard.
- 6) Sales in North Salt Lake (84054) were fairly weak too, falling 0.6 percent to \$179 million, while sales in the automobile-related Woods Cross and West Bountiful (84087) were basically unchanged in 2003 at \$235 million.

Weber County's direct sales of \$2.17 billion fell 1.5 percent, making it the slowest growing county along the Wasatch Front (in 2002 it was the fastest growing county, growing 6 percent):

1) Riverdale/Southeast Ogden (84405) sales, became the largest trade center in Weber County for 2002, surpassing Ogden's 84401. Sales in 84405 fell 4 percent to \$649 million in 2003.

1) Ogden – Main (84401), now the second largest trade area in Weber County, saw sales rise 2 percent to \$536 million. Sales peaked at \$591 million in 1997.

3) Right on Ogden-Main's heels, the Ben Lomond ZIP Code (84404) sales at \$489 million dropped almost 1 percent in 2003.

3) Northeast Ogden (84414) sales rose at almost a 5 percent clip in 2003.

4) The hottest area was up in the Ogden Valley. Huntsville (84317) sales rose 13 percent to \$11 million, while sales in Eden (84310) jumped 29 percent for the second year in a row.

5) South Ogden (84403) sales fell for the third year in a row, this time by nearly 8 percent as competition from big, discount department stores in Riverdale probably took market share away from food stores in 2003.

TABLE 1. SALT LAKE COUNTY ZIP CODE SALES, 1989 - 2003

(IN MILLIONS OF DOLLARS)		DIRECT								
		SALES								
ZIP CODE AREA	ZIP CODE	1989	1990	1991	1992	1993	1994	1995	1996	1997
<u>SALT LAKE CITY</u>										
Rose Park /Airport***	84116	145	197	209	221	268	304	310	367	405
Westside	84104	275	307	338	367	395	480	543	585	610
West Downtown *	84101	477	526	565	617	688	856	960	1098	967
East Downtown **	84111	313	436	440	687	811	1739	1726	1908	2096
Avenues	84103	52	50	52	51	57	64	70.7	78.8	78.5
Holy Cross	84102	150	164	178	190	195	217	237	260	247
N. Sugarhouse	84105	52	53	59	64	69	72	74	67.2	110.9
Foothill	84108	57	75	80	92	101	126	142	140	144
Sugarhouse	84106	233	257	268	317	340	378	387	402	445
Subtotal		1,754	2,065	2,189	2,606	2,924	4,236	4,450	4,906	5,104
<u>CENTRAL VALLEY</u>										
West Valley	84120	264	280	276	317	349	399	407	447	499
East West Valley	84119	483	531	531	595	729	833	944	989	1032
S.W. West Valley	84128									
Kearns	84118	145	179	200	232	230	256	293	298	322
South Salt Lake	84115	777	981	1018	1089	1255	1379	1562	1610	1517
West Murray	84123	100	125	150	201	229	308	357	410	436
Murray	84107	736	815	921	993	1075	1220	1271	1337	1330
Millcreek	84109	118	133	135	142	157	164	182	167	187
N. E. Holladay	84124	19	24	35	35	40	47	56.2	56.4	59.4
Holladay	84117	246	234	240	251	301	309	328	306	326
Magna ****	84044				68	47	57	60.8	88	137
Subtotal		2,888	3,302	3,506	3,923	4,412	4,972	5,461	5,708	5,845
<u>SOUTH VALLEY</u>										
West Jordan	84084	142	133	152	172	215	229	236	254	213
S. West Jordan	84088	33	12	60	68	83	104	141	154	192
South Jordan	84095				n/a	n/a	n/a	n/a	25.7	23.2
Riverton	84065	33	35	36	42	60	73	84.2	89.7	96.4
Midvale	84047	290	287	320	363	404	448	508	578	616
Cottonwood	84121	104	138	138	146	161	173	198	247	287
West Sandy	84070	280	286	301	332	373	441	568	690	706
Central Sandy	84094	1	5	8	20	40	53	63.1	77.1	75.7
North Sandy	84093	7	10	10	11	16	22	26.6	33	34.6
East Sandy	84092	87	115	120	132	134	139	143.7	146	151
Draper	84020	32	32	39	51	91	119	127	162	184
Subtotal		1,009	1,053	1,184	1,337	1,577	1,801	2,096	2,457	2,579
<u>GRAND TOTAL</u>		5,651	6,420	6,879	7,866	8,913	11,009	12,006	13,071	13,528

**TABLE 2. DAVIS, UTAH AND WEBER COUNTY ZIP CODE SALES,
1989 - 2003**

(IN MILLIONS OF DOLLARS)		DIRECT	DIRECT	DIRECT	DIRECT	DIRECT	DIRECT	DIRECT	DIRECT	DIRECT
		SALES	SALES	SALES	SALES	SALES	SALES	SALES	SALES	SALES
ZIP CODE AREA	ZIP CODE	1990	1991	1992	1993	1994	1995	1996	1997	1998
<u>DAVIS COUNTY</u>										
Bountiful	84010	253	261	278	322	327	316	327	327.8	354.1
Centerville	84014	58.8	60.2	68.7	77	84	104	133	170.4	160.6
Clearfield, Clinton	84015	77.2	75.3	88	93	94	102	112	111.5	124.4
Freeport	84016	18	14.4	14	15	21	31.1	30.2	28.1	28.8
Farmington	84025	32.9	33.4	43.7	52	54	60.9	60.6	65.9	69.1
Kaysville, Fruit Heights	84037	30.4	31.1	32.9	47	54	58.3	67.9	86.2	107.5
East Layton	84040	2	3.1	5.3	6.9	9	12.4	14.7	15.1	17.2
Layton	84041	348.3	364.2	408.4	414	547	594	608	654.5	721.1
North Salt Lake	84054	97.1	101.8	110.3	125	125	140	155	160.5	142.2
Syracuse	84075	1.1	1.2	17.1	42	53	69.2	43.3	34.1	36.6
Woods Cross, W.Bountiful	84087	78.8	88.1	106	139	161	180	200	183.3	193.1
Subtotal		918	945	1,049	1,333	1,529	1,668	1,752	1,837	1,954
<u>UTAH COUNTY</u>										
American Fork	84003	109.8	111.6	123.9	146.8	160.7	190.4	213	246.8	278.5
Alpine	84004	1.1	2.6	4	4.2	4.8	5.7	5.3	6.1	7.1
Lindon	84042	3.5	4.8	10.8	23	22	26	27.6	34.8	55.7
Lehi	84043	27.8	33.5	35.1	45	54	71.3	92.1	91	108.1
N. Orem	84057	356.4	377.7	434.5	522	539	559	573	603.1	606.8
S. Orem	84058	162.1	196.5	252.8	312	386	455	555	680.8	664.9
SE Orem	84097	operational in 1996						3.7	19.9	29.4
Pleasant Grove	84062	38.8	45.7	46	47	48	52.1	56.4	62.3	65.8
SW Provo	84601	298.1	381	380.6	450	464	470.5	523	498.2	529.1

BYU	84602	33	35.4	36.3	38	40	40.9	38.2	35.4	33.7
Provo PO Boxes	84603n/s		16.6	17.7	18	30	20.2	5	19.1	19.9
N. Provo	84604	134.2	140.5	151.3	179	187	197.3	215	209.6	251.5
SE Provo	84606	18.4	19.5	27.4	29	33	43.8	46.2	50.2	45.7
Payson	84651	32.9	37.3	39.6	43	46	50.3	51.8	63.8	67.4
Salem	84653	4.7	4	5	5.5	6.1	6	7.8	9.1	7.6
Santaquin	84655	0.7	0.8	1	4.6	5.4	5.3	6	6.4	7.7
Spanish Fork	84660	83.1	88.7	98.9	111	136	153	170	167.7	186.3
Springville	84663	45.7	53	65.3	79	86	92.6	96	99.5	107.6
Mapleton	84664	<u>1.6</u>	<u>1.7</u>	<u>2.2</u>	<u>2.9</u>	<u>3.7</u>	<u>4.6</u>	<u>4</u>	<u>4.4</u>	<u>5.1</u>
Subtotal		1,352	1,551	1,732	2,060	2,252	2,444	2,689	2,908	3,078

WEBER COUNTY

Roy	84067	88.9	89.7	101.7	109	119	124	133	143.6	144.8
Eden	84310	1.5	3.2	3	3.5	5.8	6.1	6.4	6.2	7.6
Hooper	84315	3.9	4	4.2	4.8	5.6	6.1	6.5	5.5	6
Huntsville	84317	2.1	2.9	2.8	3	3.5	3.2	3.7	4.4	4.2
Ogden - Main	84401	430.2	427.1	464.5	474	510	524	565	590.5	572.7
Ogden - P.O. Box	84402	7.3	7.3	6.9	11.3	13.5	14.3	16.6	16.7	12.8
South Ogden **	84403	229.4	228.2	223.1	281	263	273	314	326.7	28
Ben Lomond ***	84404	236.2	254.2	277.2	302	339	361	408	448	458.2
Riverdale\S.E. Ogden ****	84405	100.2	122.3	165.9	182	246	325	354	470	43
N.E. Ogden	84414	<u>2.2</u>	3.5	<u>4.7</u>	<u>4.8</u>	<u>7.1</u>	<u>8.5</u>	<u>9.5</u>	<u>12.1</u>	<u>10.7</u>
Subtotal		<u>1,102</u>	<u>1,142</u>	<u>1,254</u>	<u>1,375</u>	<u>1,513</u>	<u>1,645</u>	<u>1,817</u>	<u>2,024</u>	<u>1,935</u>

GRAND TOTAL

3,372	3,638	4,036	4,768	5,293	5,757	6,258	6,769	6,967
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